

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7107**

**BILL NUMBER:** SB 382

**NOTE PREPARED:** Feb 18, 2005

**BILL AMENDED:** Feb 17, 2005

**SUBJECT:** Alcohol server training.

**FIRST AUTHOR:** Sen. Alting

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Alcohol and Tobacco Commission (ATC) to establish application requirements, fees, standards, and renewal requirements for certification of alcohol server training programs. The bill requires retail permittees to: (1) complete a certified alcohol server training program; (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses; and (3) maintain training verification records.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) This bill will have an indeterminable administrative cost impact on the ATC.

The bill requires that the ATC establish applications, fees, standards, and renewal requirements for certification of alcohol server training programs. It is estimated the increase in administrative costs in establishing and implementing these procedures could possibly be offset by the ATC's authority, under the bill, to establish a fee for certification.

The bill also requires retail permittees to:

- (1) complete a certified alcohol server training program;
- (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses; and
- (3) maintain training verification records.

The bill would thus require approximately 100,000 people to complete a certified training program before September 1, 2006. The ATC is ultimately responsible for providing the certified training. Therefore, there could be an increase in administrative costs to the ATC if they are forced to provide training because of an insufficient number of certified programs. It is estimated that the costs in providing this training could be offset by the ATC's authority, under the bill, to establish a fee for a server to obtain training directly from the ATC. This problem would only arise in providing the initial training since the ATC has the authority to establish the requirements for servers to attend refresher courses.

The bill defines a retail permittee as a person who holds a:

- (1) beer retailer's permit under IC 7.1-3-4;
- (2) liquor retailer's permit under IC 7.1-3-9;
- (3) wine retailer's permit under IC 7.1-3-14; or,
- (4) liquor dealer permit under IC 7.1-3-10 for a package liquor store.

Approximately 10,000 retail establishments would be impacted by this bill. While all the bartenders and wait staff employed in these establishments would be required to participate in a training program, the exact number of employees is unknown. There are approximately 100,000 ATC Employee Permit holders in the state. An Employee Permit is required of all clerks in liquor stores, bartenders, wait staff, and managers of establishments that serve alcoholic beverages by the drink.

Under the bill, affected retailers are required to ensure that employees receive training within 90 days of starting work and attend refresher courses. After July 1, 2005, prospective ATC Employee Permit holders must successfully complete a training program prior to receiving a permit. (Wait staff serving alcohol who are under the age of 21 are currently required to receive training before they are employed.)

*Background:* ATC excise officers currently provide a free voluntary training to approximately 3,000 retailers each year. In addition to the training offered by the ATC, there are private companies that provide server training. There are four known for profit companies that provide training, the average fee for this training is approximately \$30 per person. The number of employees trained by the services is unknown.

The Alcohol and Tobacco Commission is funded with dedicated fee and tax revenue deposited in the Alcohol and Tobacco Commission's Enforcement and Administration Fund. As of the December 27, 2004, the ATC had seven vacancies, including vacancies in five excise officer positions.

**Explanation of State Revenues:** The bill allows the Commission to fine, suspend, or revoke the permits of the affected retailers and employees for failing to comply with the bill's provisions. Civil penalties for violations of the ATC's rules are deposited in the Commission's Enforcement and Administration Fund.

The bill also allows the ATC to establish a fee for training providers to obtain certification. These fees would be deposited in the Commission's Enforcement and Administration Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:** David Heath, Commissioner, Alcohol and Tobacco Commission, 232-2444.

**Fiscal Analyst:** Adam Brown, 317-232-9854.